

**House Report 109-388 - MAKING EMERGENCY SUPPLEMENTAL
APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30,
2006, AND FOR OTHER PURPOSES**

ADDITIONAL VIEWS OF HON. DAVID R. OBEY

In the wake of the attacks on the World Trade Center and the Pentagon, the President launched military action that destroyed the Taliban regime and dislodged Al Qaeda from Afghanistan. No thinking American could have or should have opposed the Afghanistan invasion that marked the first battle in the post-September 11th fight against terrorism.

Soon after, however, this Administration led us into Iraq--a country without proven links to the September 11th attacks or Al Qaeda. The intelligence used to justify the invasion was seriously flawed at best, purposefully manipulated at worst. The rationale for war--Saddam Hussein's arsenal of weapons of mass destruction--had no proven basis in fact. Yet we find ourselves in Iraq just the same.

Today, after more than 2,300 American military deaths, nearly 17,000 Americans wounded, and \$334 billion spent, our nation remains entangled in a thicket of insurgent and sectarian violence. The Administration's mistakes and mischaracterizations have the American people deeply troubled by our involvement in Iraq.

The vast majority of this supplemental bill--\$67.7 billion--is for Defense Department's activities in Iraq and Afghanistan. Just as with earlier war supplementals, this funding will be provided in a manner that allows the Administration and the Secretary of Defense significant flexibility. It should be clear by now that Congress went far beyond what was reasonable in that regard. What did the nation get for it?

A \$20 billion bill for Iraq reconstruction when we were told it would cost between \$1 billion and \$2 billion and be financed by Iraqi oil revenues. Secretary Rumsfeld told us, 'We just had no idea how bad the Iraqi economy was.' Billions of dollars later, electricity and oil production remain below prewar levels and unemployment ranges between 60 and 90 percent in many parts of the country.

A claim that we would be greeted as liberators and that we could begin withdrawing troops six months after the invasion. Despite the warnings of General Shinseki and others, Secretary Rumsfeld testified before our Committee that we could reduce our troop deployment to about 35,000 by December 2003.

Today, our deployment is roughly 130,000, down only slightly from the 150,000 of the year before.

A failure to plan that has left our Army stretched thin. The lack of manpower resulted in the Abu Ghraib scandal, which was fostered by untrained manpower guarding prisoners. Poor planning also left our troops salvaging scrap metal to protect unarmored Humvees. Even today, questions remain about whether our entire force is equipped with adequate armor.

With the passage of this supplemental, Congress will have appropriated over \$400 billion for the wars in Iraq and Afghanistan and related reconstruction. Yet over the next several months this Congress will squabble over a fraction of that amount to strengthen homeland security, provide heating for our elderly, educate our children, and deliver medical care for our veterans. The security of our country will not be appreciably strengthened if while spending billions on Iraq, we are neglecting needed investments here at home. During the Committee's consideration of this bill, Democrats repeatedly attempted to reorder the nation's priorities in ways that more accurately reflected our security and domestic needs. Yet each time these efforts were opposed by the Republican Majority.

REDUCING VULNERABILITIES TO TERRORISM

When the President spoke to the nation from New Orleans after Hurricane Katrina, he said: 'Four years after the frightening experience of September the 11th, Americans have every right to expect a more effective response in a time of emergency.' Unfortunately, neither the President's request nor this bill addresses known vulnerabilities.

PORT SECURITY

U.S. ports handle over 95 percent of overseas trade and the volume of goods imported and exported through ports is expected to double over the next 20 years. Democrats have made securing America's ports a top priority, but the Administration and the Republican Leadership of the Congress have left us dangerously underprotected.

For example, a Democratic amendment offered by Representative Sabo would have expanded the Container Security Initiative (CSI) and the MegaPorts program. CSI identifies high risk shipping containers for inspection while MegaPorts places radiation detection equipment at ports to detect illegal shipments of nuclear and radiological materials. Today, CSI is operating in only 42 of 140 overseas ports that ship directly to the U.S. and MegaPorts will only have 13 radiation monitors in place by the end of FY 2007. The Sabo amendment would have provided \$300 million to expand the CSI program to all ports that ship to the U.S. and \$300 million to bring radiation detectors to 29 additional foreign ports. The amendment would

have also provided an additional \$375 million for port security improvements and \$125 million to expand the Coast Guard's port security inspections and exercises. Republicans defeated the amendment.

PREPARING FOR AND RESPONDING TO NATURAL AND TERRORIST ATTACKS

The 2002 Hart-Rudman report concluded that 'America's own ill-prepared response could hurt its people to a much greater extent than any single attack by terrorists.' Katrina revealed the truth of this statement.

After Katrina, America should be moving to help improve emergency communications, bolster disaster planning by State and local governments, invest in emergency managers,

and mitigate disaster damage through improved disaster development. This supplemental falls short in each of these areas.

The Sabo amendment would have provided an additional \$300 million to fund emergency communications backup capability nationwide, \$50 million to improve disaster plan coordination, \$260 million for Emergency Management Performance Grants, \$140 million for fire grants, and \$50 million for Project Impact disaster mitigation efforts. Republicans defeated the amendment.

TRANSIT, AVIATION AND BORDER SECURITY

While there have been improvements, large vulnerabilities remain in commercial aviation. Out of the 448 commercial airports in the United States, only 25 have received new checkpoint technologies to screen passengers for explosives. In addition, only a small percentage of cargo carried on passenger aircraft is screened for explosives, leaving a huge security loophole. The Sabo amendment defeated in Committee would have provided an additional \$350 million to expand the screening of passengers and checked bags for explosives, expand the screening of air cargo carried on passenger aircraft, and provide for more efficient in-line explosive detection systems.

Aviation security has seen improvements for obvious reasons. Rail security, however, remains virtually unaddressed. While there were 181 terrorist attacks on rail targets worldwide from 1998 to 2003 only about \$600 million of the estimated \$6 billion needed has been invested by the Department of Homeland Security and the Department of Transportation in improving transit security. The Sabo amendment defeated in Committee would have

provided an additional \$350 million to close critical transit security problems, close to 50 percent more funding than has been provided to date.

Committee Democrats also sought to bolster security along America's borders by putting better technology to work. Today, radiation portal monitors are not installed at all land entry points in the United States. DHS does not plan to compete this until at least 2011. The Sabo amendment defeated in Committee would have provided an additional \$600 million to ensure greater air surveillance of our borders and that each land entry point is able to inspect containers for radiation using sophisticated portal monitors.

STRENGTHENING REVIEW OF FOREIGN TAKEOVERS OF CRITICAL ASSETS

The recent Dubai Ports World controversy makes clear that the process by which foreign takeovers of critical assets and operations are approved is not what is best for homeland security. The current review process is very loose in that none of the top officials in the Executive Branch, including the President, are informed of the transactions under review or even of those that have been approved.

An amendment offered in Committee by Representative Sabo would have strengthened the current review process by requiring mandatory notification of all proposed takeovers; Presidential approval or disapproval; and, Congressional notification and an opportunity for Congress to overturn Presidential decisions. All but one Committee Republican opposed this amendment.

HELPING FAMILIES DEAL WITH HIGH ENERGY COSTS

As American consumers know, energy prices are through the roof. Compared to last winter, average prices are up 23 percent for natural gas, 24 percent for home heating oil, and 16 percent for propane. Unfortunately, LIHEAP, which provides energy assistance to the most vulnerable in our society, was cut by \$21 million this year. LIHEAP currently serves only 16 percent of those eligible for help and, due to increased demand for assistance, the amount of help a household receives has shrunk by 10 percent over the last four years.

A Democratic amendment would have provided \$1 billion for LIHEAP heating assistance grants this year. A Republican amendment cut the Democratic amendment by \$250 million, most of which would have gone to Southern and Western states, and makes the remaining \$750 million available over two years, allowing the Administration to avoid releasing much, if any, of that funding this year to deal with the current crisis in home energy prices.

GIVING SENIORS THE CHANCE TO MAKE GOOD DECISIONS ABOUT THEIR PRESCRIPTION DRUG PLANS

There is a real need to provide affordable prescription drug coverage to senior citizens and people with disabilities, but the privately-run prescription drug plans set up by the Republican Medicare legislation are a mess. Republicans chose to deliver drug coverage through a bewildering array of insurance companies and private drug benefit managers. As a result, seniors in most states must select among more than 40 different private drug plans, each with a different premium, its own list of covered drugs, its own prices, and its own policies regarding which drugs will require prior approval or higher co-payments. Further, the plans are permitted to keep changing their policies regarding covered drugs throughout the year.

An amendment sponsored by Representative Berry offered a fundamental fix for all this confusion: have Medicare operate the drug benefit program itself, just as it has operated a health insurance program for the past 40 years. This plan would have uniform premiums, co-payments, and drug coverage policies throughout the nation. Enrollment in this Medicare-operated drug plan would be voluntary, but it would be available to any beneficiary seeking an alternative to navigating the myriad of competing private plans each year. It would have also allowed Medicare to use the united purchasing power of what is likely to be tens of millions of beneficiaries to negotiate lower drug prices.

The amendment also offered interim improvements for seniors and people with disabilities seeking coverage this year through the system now in place. First, it gave those eligible additional time to sign up for Medicare drug plans this year without paying a penalty. Under current law, beneficiaries must pick a plan and sign up by May 15 or

face higher premiums. Given the complicated choices, offering seniors until the end of the year to enroll without penalty is only fair. In addition, seniors would be allowed to change plans once during 2006 if they find that a different option is more appropriate for them than their original choice.

This amendment was defeated by the Republican Majority.

FIGHTING BACK AGAINST SPECIAL INTEREST PROTECTIONS

Last year, Republicans attached a provision to the FY 2006 Defense Appropriations Act that gives the Secretary of Health and Human Services power to confer sweeping liability protection on manufacturers of drugs and other medical products.

This provision was written by very powerful people in the Congress. It was never considered by any Committee of the House or Senate. There were no markups, where members with expertise in the subject deliberated and voted in public. It was simply inserted into the Defense bill one night after the bill had already been approved by the conference Committee charged with its drafting. In a democratic institution, that should not have happened.

A Democratic amendment offered by Representative DeLauro and defeated by the Republican Majority would have repealed the flawed provision effective September 30th, to give Congress ample time to enact a reasonable substitute through the normal legislative process.

PROTECTING TAXPAYERS FROM WASTE, FRAUD, AND ABUSE

Once this supplemental is passed we will have spent almost half a trillion dollars in total executing the wars in Iraq and Afghanistan and rebuilding after Hurricanes Katrina and Rita. In both cases, there are serious questions about how the taxpayer's money is being spent. To date, however, Congress has failed to conduct appropriate oversight that would root out waste, fraud and abuse.

A NEW 'TRUMAN' INVESTIGATIVE COMMITTEE FOR THE GLOBAL WAR ON TERROR AND KATRINA RECONSTRUCTION

History provides a good model of just how Congress can go about protecting the taxpayer from wasteful spending and unscrupulous contractors. In early 1941, Senator Harry S. Truman began questioning whether there was favoritism, fraud and waste in the nation's rearmament effort. The outgrowth of his inquiries became the Senate Special Committee to Investigate the National Defense Program, later known as the Truman Committee.

The Truman Committee uncovered instances of powerful interests influencing contract awards, businesses overcharging for services, and government failing to be a good steward of the taxpayer's money. From its creation in 1941 until it expired in 1948, the Committee held 432 public hearings and 300 executive sessions, went on hundreds of fact-finding missions, and issued 51 reports--earning high marks for its thoroughness and efficiency throughout. By the time of its dissolution, the Committee's recommendations saved an estimated \$15 billion, and likely even saved lives.

The need for a modern day Truman Committee could not be clearer. Representative Kaptur offered an amendment establishing a select Committee of the House to conduct ongoing studies and investigations of the

awarding and carrying out of contracts by the Government for military operations and relief and reconstruction activities related to the global war on terrorism (including all activities in Afghanistan and Iraq), and Hurricane Katrina recovery, relief, and reconstruction efforts. The amendment was defeated by the Republican Majority on a party line vote.

SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

The Office of the Special Inspector General for Iraq Reconstruction (SIGIR) oversees the majority of the \$40 billion of U.S. taxpayer funds meant for Iraq reconstruction. The SIGIR is a notable success amid the numerous failures of reconstruction efforts. Recent SIGIR investigations and initiatives include establishing a database to monitor all Iraq contracts, undertaking a comprehensive analysis of the reconstruction program, and pursuing waste fraud and abuse of Iraqi funds under US management during the Coalition Provisional Authority governorship of Iraq.

The SIGIR has proven its value, and Congress acknowledged this last year when it extended its authorization. However, the Majority has inexplicably decided to exempt the \$1.7 billion for reconstruction and development assistance for Iraq in this bill from the SIGIR's oversight. Without the SIGIR, it is not clear who would be the watchdog over American taxpayer dollars. The USAID IG only has eight staff in Iraq. The State Department IG has not staff in Iraq. The SIGIR has 100 staff in Iraq. An amendment offered by Representative Lowey would have allowed the SIGIR oversight of these new reconstruction funds. It was defeated by the Republican Majority on a party line vote.

CONCLUSION

The Democratic amendments offered in Committee were common-sense proposals to improve our nation's security and the quality of life for Americans. A responsible Congress would have found a way to support these suggested improvements to the bill.

DAVE OBEY.

ADDITIONAL VIEWS OF HON. MARTIN OLAV SABO

Regardless of how one feels about Dubai Ports World's attempt to acquire U.S. port terminal operations, the deal shined a bright spotlight on the obscure process by which the Bush Administration analyzes critical U.S. industry takeovers by foreign entities.

We now know that the Administration appeared to be sleepwalking, instead of conducting a rigorous national security review of the DP World transaction to acquire shipping terminals at six major U.S ports. The President and the secretaries of Homeland Security, Treasury and Defense were unaware of the deal until DP World issued a press release announcing it.

In fact, the foreign investment review process may be less rigorous today than for reviews that took place before 9/11. The last port operation takeover examined prior to 2001 appears to have taken twice as long as the analysis of the proposed Dubai acquisition. It also appears that some critical foreign takeover transactions in recent years may not even have been reviewed by the Bush Administration.

The Committee approved overwhelmingly an amendment to kill the DP World port terminal acquisition. However, I am disappointed that it did not address the larger, underlying problem of the broken foreign investment review process. I offered an amendment to strengthen this process to analyze, review and approve or disapprove of foreign takeover transactions.

My amendment, which was defeated by a 35 to 30 vote, would have strengthened the current review process in the following ways:

By requiring all foreign transactions that could result in foreign control of any person engaged in interstate commerce to undergo a full CFIUS (Committee on Foreign Investment in the United States) review. Today, foreign firms voluntarily notify us of these transactions. I believe notification must be mandatory to ensure that our government knows about all of them.

By requiring the President to approve or disapprove of all transactions. Today, if the President takes no action the transaction is automatically approved.

By making the full 75-day review automatic. Current practice allows most transactions to be reviewed within 30 days, with an additional 45 days only if flags are raised.

By requiring that Congress be notified of Presidential approvals, and providing for Congress to overturn decisions within 30 days by a joint resolution. Today, Congress is notified of a CFIUS transaction only when the President disapproves one.

By requiring a report to Congress within 90 days of foreign ownership of all US critical infrastructure. Today, no one really knows how much of our critical infrastructure is in the hands of foreign companies and foreign governments.

Failing to fix the inherent flaws in the CFIUS review process could leave our nation in a vulnerable security posture in the future. We shouldn't take that chance.

Fixing CFIUS is only part of the solution, however. Congress should also provide additional resources to more quickly close the many homeland security gaps that we know terrorists would like to exploit.

I also offered an amendment to provide \$3.4 billion in 2006 to beef up port, aviation, transit and border security and improve terrorism and disaster preparedness. My amendment, which was defeated by a party line vote of 27-34, would have strengthened our nation's security in the following ways:

By providing more customs agents and equipment at all overseas ports that ship directly to the US. Today, only 42 of the 140 overseas ports that ship directly to the US have this system in place.

By installing radiation detectors at the top 42 overseas ports, compared to the 13 planned for by the Department of Energy, and at all of our land borders.

By increasing Coast Guard inspections of foreign and domestic ports and by funding port security projects that the Captains of the Ports believe are top priorities.

By updating flood maps in high risk locations and improving our nation's emergency communication back-up capabilities.

By improving the capabilities of our emergency responders and firefighters.

By assessing and improving the preparedness of our localities with more exercises.

By correcting some of the most catastrophic transit security deficiencies.

By increasing the number of airports where both air cargo and passengers are more likely to be screened for explosives.

By expanding air patrolling and surveillance of our borders.

No one can disagree that we should make these homeland security investments. The question is WHEN. I believe we should strengthen our defenses now. Apparently, the Republican Congress and the White House think we can wait. I hope the American people will not suffer consequences because of their decision to delay.

MARTIN OLAV SABO.

